

STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF REVENUE
601 DELAWARE AVENUE
WILMINGTON, DELAWARE 19899

TAX NEWSGRAM 73-4

January 22, 1973

PERSONAL INCOME TAX

- Basis of Property Acquired by Inheritance

A question has been raised as to whether property acquired by inheritance after January 1, 1971, will have the same basis for State income tax purposes as for Federal income tax purposes.

For Federal tax purposes the basis of property acquired by bequest or inheritance may be determined by the use of an optional valuation date rather than by use of the value as of the date of death.

It is the position of the Division of Revenue that property acquired after January 1, 1971, will retain the same basis as that used for Federal tax purposes. If the optional valuation date is used in valuing the property, such value will be treated as the basis for purposes of determining gain on future disposition. With respect to adjustments to basis required relating to property acquired prior to January 1, 1971, see Tax Newsgram 71-10 dated December 8, 1971.



J. H. Kennedy
Director of Revenue

jvm

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